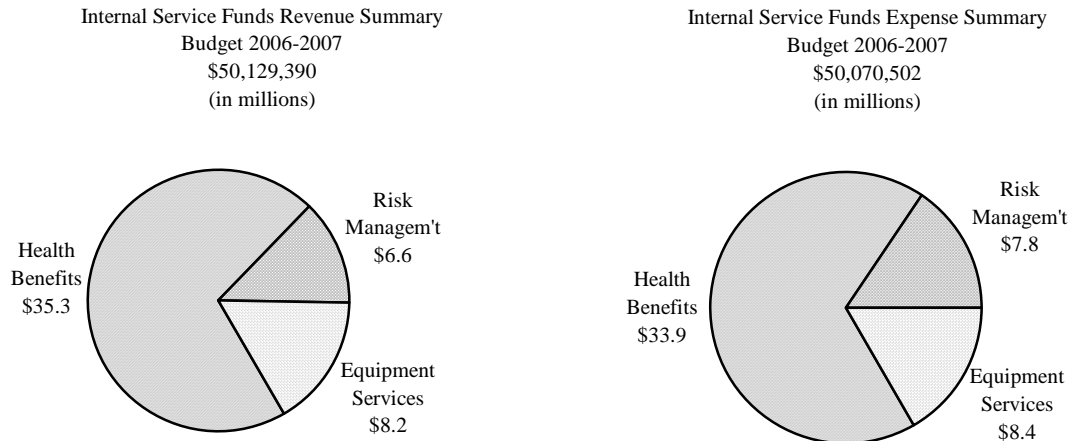


## INTERNAL SERVICE FUNDS

**Description** The Internal Service Funds account for the financing of goods and services provided by programs or activities on a cost reimbursement basis. The Internal Service Funds include the Risk Management Fund, the Health Benefits Fund and the Equipment Services Fund.

### Revenue and Expenditure Summaries – Internal Service Funds



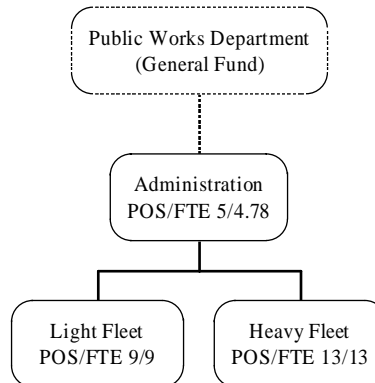
### Revenue Summary – Internal Service Funds

Enterprise Fund Revenue	2003-2004 Actual	2004-2005 Actual	2005-2006 Estimate to Complete	2006-2007 Final Budget	\$ Change from Prior Year	% of All Revenues FY 2005-2006
Equipment Services	6,291,798	7,375,391	7,849,558	8,235,839	-7,806	17.07%
Health Benefits	25,464,665	27,566,112	30,605,066	35,304,364	-18,500	66.56%
Risk Management	8,123,574	7,389,942	7,529,045	6,589,187	0	16.37%
<b>Total</b>	<b>39,880,037</b>	<b>42,331,445</b>	<b>45,983,669</b>	<b>50,129,390</b>	<b>-26,306</b>	<b>100.00%</b>

### Expenditure Summary – Internal Service Funds

Enterprise Fund Expenditure	2003-2004 Actual	2004-2005 Actual	2005-2006 Estimate to Complete	2006-2007 Final Budget	\$ Change from Prior Year	% of All Expenditures FY 2005-2006
Equipment Services	6,670,538	7,210,201	7,940,107	8,378,120	134,718	19.66%
Health Benefits	24,329,900	26,215,899	28,276,093	33,895,114	-1,715,008	70.03%
Risk Management	5,171,098	6,918,460	4,161,924	7,797,268	-3,366,445	10.31%
<b>Total</b>	<b>36,171,536</b>	<b>40,344,560</b>	<b>40,378,124</b>	<b>50,070,502</b>	<b>-4,946,735</b>	<b>100.00%</b>

## EQUIPMENT SERVICES FUND



### Total Positions/Full Time Equivalents 27 /26.78

**Mission**            The mission of the Equipment Services Division is to provide cost effective, safe, dependable equipment to County departments to meet their transportation and specialized heavy equipment operational requirements.

**Description**      This Internal Service Fund was created to track revenues received and expenditures made for the maintenance, repair, purchase and replacement of fleet vehicles and specialized large equipment used by Washoe County departments. Equipment Services is a division of the Public Works Department.

### Programs and Fiscal Year 2006-2007 Budgeted Costs

Department Total                                  \$ 8,378,120

Revenues Summary	2003-2004 Actual	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimate to Complete	2006-2007 Final Budget	\$ Change From 05/06 Adopted to 06/07 Final
Charges for Services	6,094,498	6,717,292	7,417,364	7,370,954	7,720,839	303,475
Investment Earnings	167,548	351,348	250,000	138,621	135,000	-115,000
Capital Contributions In	0	16,751	0	75,463	110,000	110,000
Transfers In	29,752	290,000	190,000	264,520	270,000	80,000
<b>Total</b>	<b>6,291,798</b>	<b>7,375,391</b>	<b>7,857,364</b>	<b>7,849,558</b>	<b>8,235,839</b>	<b>378,475</b>

<b>Expenditures Summary</b>	<b>2003-2004 Actual</b>	<b>2004-2005 Actual</b>	<b>2005-2006 Adopted Budget</b>	<b>2005-2006 Estimate to Complete</b>	<b>2006-2007 Final Budget</b>	<b>\$ Change From 05/06 Adopted to 06/07 Final</b>
Salaries and Wages	1,247,638	1,307,769	1,442,982	1,368,636	1,519,663	76,681
Employee Benefits	415,245	450,351	511,037	480,609	530,063	19,026
Services and Supplies	2,856,536	3,275,421	3,501,370	3,742,862	3,898,394	397,024
Depreciation	2,151,119	2,176,660	2,350,000	2,348,000	2,430,000	80,000
Interest Expense	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
<b>Total</b>	<b>6,670,538</b>	<b>7,210,201</b>	<b>7,805,389</b>	<b>7,940,107</b>	<b>8,378,120</b>	<b>572,731</b>

### Long Term Goals

- Increase utilization and reduce overall fleet size in response to stabilizing growth and downsizing equipment while being responsive to user needs for expanding services.
- Maintain an accurate billing structure with periodic rate modifications consistent with operational costs for Equipment Services Fund.
- Continue achievement of compliance with state/federal clean emission standards and use of alternative fuels by proactively exhibiting a leadership role in the use of clean burning fuels that produce fewer tailpipe emissions.
- Encourage use of taxi service as an alternative means of meeting local transportation needs.
- Establish a motor pool in the downtown Courts center (or other government centers) to provide an alternative to permanently assigned vehicles which satisfy user needs for intermittent transportation at that location.
- Encourage participation in training and development programs that provide career enrichment to employees.

### Goals for Fiscal Year 2006-2007

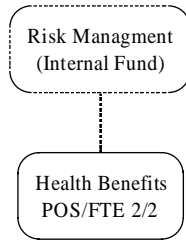
- Continue to provide timely reporting of billing costs and utilization criteria to user departments.
- Pursue computerization of fleet management billing system to prepare monthly billing statements.
- Reduce/eliminate number of natural gas (CNG) vehicles in County fleet in response to unstable fueling infrastructure.
- Increase consumption of 5-20% blend biodiesel fuel as alternative to 100% diesel in County diesel equipment.
- Pursue fleet vehicle shop expansion and increased staffing in response to additional vehicles authorized.
- Perform preventive maintenance services in accordance with manufacturers recommended service intervals.

### Accomplishments for Fiscal Year 2005-2006

- Purchased eight 14-passenger buses for transportation of children/youths in Juvenile Services programs.
- Provided Equipment Services billing rate and utilization data to user departments enabling them to manage fleet operations and size while monitoring individual fleet user costs.
- Increased to 41 units the number units of rolling stock removed without replacement over a three year period.
- Expanded use of hybrid gasoline/electric vehicles in the County fleet with purchase of three hybrid 4x4 SUVs.

<b>Department Objective</b>	<b>Measure</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Estimate</b>	<b>FY 06-07 Projected</b>
Manage vehicle fleet.	# of additional vehicles approved/ purchased	11	13	15	20
	# of additional heavy equipment units approved/purchased	3	4	4	4
	Avg annual miles for (general) fleet vehicles <1-ton	9,041	8,123	7,810	7,500
	Avg annual miles for (law enforcement) fleet vehicles <1-ton	13,619	11,722	10,238	10,500
	# trips involving use of taxi service	21	58	34	50
	Avg cost of taxi service	N/A	\$20.47	\$15.87	\$20.00
Perform equipment Preventive Maintenance (PM) services as scheduled.	# vehicle PM services performed	1,327	1,755	2,550	2,600
	# of ESD repair orders	8,337	9,230	7,226	8,100
	Light Equipment	4,144	4,432	3,112	4,000
	Heavy Equipment	4,193	4,798	4,104	4,100
	Avg cost of repair order				
	Light Equipment	\$270	\$259	\$167	\$175
	Heavy Equipment	\$453	\$463	\$210	\$250
Avg hourly shop rate for service					
Light Equipment Shop	\$55	\$58	\$58	\$60	
Heavy Diesel Shop	\$58	\$60	\$60	\$63	
Decrease diesel consumption in response to use of biodiesel.	# gallons of diesel consumed	N/A	278,568	305,600	300,000
	# gallons of biodiesel consumed (for all vehicle/equipment types)	N/A	23,897	42,550	45,000
Promote Employee Enrichment.	Employee Enrichment/Training hrs	N/A	N/A	750	1,040

# HEALTH BENEFITS FUND



## Total Positions/Full Time Equivalents 2/2

**Mission** The mission of the Health Benefits Division is to provide access to comprehensive health care services for Washoe County employees, retirees, and their eligible dependents in an efficient, and cost effective manner.

**Description** The Health Benefits Fund was established pursuant to NRS 287.010 to provide health benefits for County employees, dependents and retirees through a self-funded health plan and contractual health insurance plans. The Fund includes medical, dental, prescription drug, vision and life insurance. The Fund also provides wellness events and services to participants. Health Benefits is a division of the Finance Department.

### Programs and Fiscal Year 2006-2007 Budgeted Costs

Department Total \$ 33,895,114

Revenue Summary	2003-2004 Actual	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimate to Complete	2006-2007 Final Budget	\$ Change From 05/06 Adopted to 06/07 Final
Charges for Services	21,859,581	24,498,719	26,882,000	26,790,000	30,866,000	3,984,000
Investment Earnings	168,589	254,709	70,000	143,500	70,000	0
Transfers In	3,436,495	2,812,684	3,671,566	3,671,566	4,368,364	696,798
<b>Total</b>	<b>25,464,665</b>	<b>27,566,112</b>	<b>30,623,566</b>	<b>30,605,066</b>	<b>35,304,364</b>	<b>4,680,798</b>

Expenditures Summary	2003-2004 Actual	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimate to Complete	2006-2007 Final Budget	\$ Change From 05/06 Adopted to 06/07 Final
Salaries and Wages	112,240	123,965	126,234	127,820	131,273	5,039
Employee Benefits	32,725	40,049	41,820	39,526	41,667	-153
Services and Supplies	24,184,935	26,051,885	29,823,047	28,108,747	33,722,174	3,899,127
<b>Total</b>	<b>24,329,900</b>	<b>26,215,899</b>	<b>29,991,101</b>	<b>28,276,093</b>	<b>33,895,114</b>	<b>3,904,013</b>

### Long Term Goals

- Provide County employees, dependents and retirees with high quality health benefits programs at the lowest possible cost.
- Provide employees access to educational materials and programs for disease management.

**Goals for Fiscal Year 2006-2007**

- Establish Health Benefits on County’s Intranet site. (Original data lost in transition in 2003)
- Work with Human Resources to transition wellness activities to Wellness Task Force and their Benefits Administrator.
- Work with Nevada Health Care Coalition on their Data Warehouse and current and future Disease Management programs (to be made available to County employees).

**Accomplishments for Fiscal Year 2005-2006**

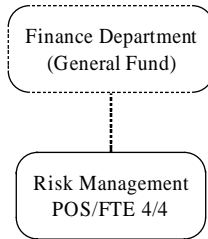
- Negotiated and implemented changes to the Health Benefits Program effective July 1, 2006.
- With the cooperation of the County’s Claims Administrator (CDS), established and promoted direct online access for employees to their own claims information via the CDS website.
- With the cooperation of the County’s Prescription Drug managers (Catalyst & Hometown Health), obtained the available “subsidy” from Medicare for retirees with Medicare coverage enrolled in County prescription plans that do not enroll in the new Medicare Park D (Rx) plans. Application for the “subsidy” completed and a retiree list of approximately 400 sent. The “subsidy” was effective January 1, 2006, and will reimburse County 28% of the cost for Medicare approved drugs.
- Requested new Medicare fields in SAP and encoded all Medicare information required for the “subsidy” noted above in the new fields.

<b>Department Objective</b>	<b>Measure</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Estimate</b>	<b>FY 06-07 Projected</b>
Communicate County benefit programs to new employees through the New Employee Orientation in cooperation with Human Resources.	# of orientation meetings held	10	12	12	12
	# of employees attending	173	270	307	340
Communicate County benefit programs, alternatives and changes to employees through annual Open Enrollment meetings.	# of meetings held	3	4	7	5
	# of employees attending	63	101	166	150
Provide Comprehensive Health Care to County employees – Counts shown for employees by average month with distribution percentage.	Employees				
	Self-funded Medical Plan	1,643	1,564	1,543	1,550
	HMO	974	1,125	1,242	1,430
	Total	2,617	2,689	2,785	2,980
	Percentage				
Provide Comprehensive Health Care to County retirees – Counts shown for retirees by average month with distribution percentage.	Self-funded Medical Plan	63%	58%	55%	52%
	HMO	37%	42%	45%	48%
	Retirees				
	Self-funded Medical Plan	550	600	653	710
	HMO	158	166	183	205
Total	708	766	836	915	
Percentage					
Self-funded Medical Plan	78%	78%	78%	78%	
HMO	22%	22%	22%	22%	

<b>Department Objective</b>	<b>Measure</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Estimate</b>	<b>FY 06-07 Projected</b>
Provide Comprehensive Health Care to County employees & retirees – Costs for provided program for fiscal year.	Fixed Expenses*	\$8,769,213	\$9,770,749	\$11,764,088	\$14,337,000
	Claims	\$13,375,284	\$14,391,742	\$15,936,167	\$18,983,000
	Runoff claims	\$1,592,514	\$1,619,841	\$1,069,065	\$1,650,000
	Total	\$23,737,011	\$25,782,332	\$28,769,320	\$34,970,000

\*Fixed expenses include premiums paid for insured products (HMO, Life, Stoploss insurance) and administrative fees (claims administrator, Preferred Provider agencies, broker) and the State's PEBP (Public Employer's Benefit Plan) for prior County employees who have retired and have coverage through the State's insurance plan – such payment is required by NRS.

## RISK MANAGEMENT FUND



### Total Positions/Full Time Equivalents 4/4

**Mission** The mission of the Risk Management Division is to protect the County from financial loss due to risks inherent in county operations by taking measures to eliminate or reduce such risks and/or by administering coverage for exposure to liabilities associated with risks.

**Description** The Risk Management Division self-administers all claims against the County for bodily injury and property damage liability; investigates and settles all claims involving damage to County property; monitors and settles all complaints resulting in litigation against the County; administers the County's self-insured workers' compensation program; provides safety inspections of all County facilities and safety training for employees; and reviews all contracts to insure that the County has been properly indemnified for actions of the contractor that may result in injury. Risk Management is a division of the Finance Department.

### Programs and Fiscal Year 2006-2007 Budgeted Costs

Department Total \$ 7,797,268

Revenues Summary	2003-2004 Actual	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimate to Complete	2006-2007 Final Budget	\$ Change From 05/06 Adopted to 06/07 Final
Charges for Services	2,592,694	3,926,464	7,299,045	7,299,045	6,359,187	-939,858
Miscellaneous	33,875	29,250	30,000	30,000	30,000	0
Investment Earnings	31,728	398,098	200,000	200,000	200,000	0
Federal Grant	0	136,130	0	0	0	0
Transfers In	5,465,277	2,900,000	0	0	0	0
<b>Total</b>	<b>8,123,574</b>	<b>7,389,942</b>	<b>7,529,045</b>	<b>7,529,045</b>	<b>6,589,187</b>	<b>-939,858</b>

Expenditures Summary	2003-2004 Actual	2004-2005 Actual	2005-2006 Adopted Budget	2005-2006 Estimate to Complete	2006-2007 Final Budget	\$ Change From 05/06 Adopted to 06/07 Final
Salaries and Wages	270,244	278,765	296,066	297,471	293,393	-2,673
Employee Benefits	79,075	85,034	86,610	86,879	87,832	1,222
Services and Supplies	4,821,779	6,554,661	7,145,693	3,777,574	7,416,043	270,350
<b>Total</b>	<b>5,171,098</b>	<b>6,918,460</b>	<b>7,528,369</b>	<b>4,161,924</b>	<b>7,797,268</b>	<b>268,899</b>

Note: The \$900,000 reduction in *Charges for Services* from FY2006 to the FY2007 budget is the result of an actuarial study that reduced the County's future liability for worker's compensation claims.



**Long Term Goals**

- Develop and implement a program to collect, maintain and monitor insurance policies, certificates, bonds and other financial instruments filed by contractors and vendors doing business with the County.
- Develop and implement new safety training programs for County employees to help reduce workplace injuries and accidents.

**Goals for Fiscal Year 2006-2007**

- Develop a computer based Material Safety Data Sheet (MSDS) program to centralize all MSDS information in one location that can be quickly accessed by all County departments.
- Develop and implement OSHA 10 hour and 30 hour training programs for specific County departments to comply with OSHA requirements.
- Implement an experience based rating plan to allocate property and liability losses to County departments through the budget process.
- Upgrade AED units throughout the County to satisfy the new CPR requirements.

**Accomplishments for Fiscal Year 2005-2006**

- A new Defensive Driver Training Program was adopted and implemented.
- Provided assistance to the Sheriff's Office in adopting a new program for annual physicals for deputies.

<b>Department Objective</b>	<b>Measure</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Estimate</b>	<b>FY 06-07 Projected</b>
Reduce liability exposure in County contracts by assuring the inclusion of indemnification clauses that protect the County from accidents, negligence, errors, and omissions attributable to vendors.	# of contracts/agreements reviewed	441	445	469	475
	% of contracts modified	N/A	N/A	20%	15%
Secure insurance coverage to protect the County from losses from causes attributable to the County.	# of insurance policies purchased	11	11	11	12
	Premium paid	\$854,079	\$865,411	\$852,634	\$1,007,897
Administer liability claims and property damage claims.	# of claims filed	135	207	206	210
	# of claims denied	37	75	33	40
Recover funds due the County for damages to County equipment or injuries to County employees.	# of subrogation claims handled	33	56	58	60
	% of successful subrogations	81%	77%	80%	80%
	Amount collected	\$59,132	\$48,766	\$50,000	\$50,000

<b>Department Objective</b>	<b>Measure</b>	<b>FY 03-04 Actual</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Estimate</b>	<b>FY 06-07 Projected</b>
Reduce potential workplace hazards.	Number of safety inspections conducted.	29	85	85	85
	# of work stations modified	98	55	55	55
	# of computer related injuries investigated	4	5	7	6
Control employee on-duty driving accidents through Driver's Training for new employees and employees who drive on County time.	# new employees trained	30	63	60	60
	# of current employees trained	97	390	400	400
	# of vehicle accidents	172	235	240	240
	Accidents/100,00 miles driven	3.4	4.6	4.2	4.0